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CYPRUS-GREECE

Archbishop Makarios arrived in Athens yesterday for talks with Greek and Cypriot leaders before traveling on to Cyprus next week. Makarios was given a hero's welcome by large crowds which security officials kept at a distance as a precaution against the possibility of an assassination attempt by Cypriot extremists.

The archbishop's talks with Greek Prime Minister Karamanlis and Glafkos Clerides, who has been the acting President of Cyprus since Makarios fled the island last July, will be aimed at hammering out a common Greek position for negotiations with the Turks. Clerides will try to obtain a firm commitment from Makarios and Karamanlis to give him a free hand in trying to negotiate a settlement with his Turkish Cypriot counterpart, Rauf Denktash.

Clerides, who recently has taken the line that the Greek side has little choice but to accept the Turkish demand for a biregional federated state, has said that he will stay on as negotiator only if Makarios agrees not to interfere. Makarios, however, has firmly and publicly rejected the Turkish position and is unlikely to change his mind unless Karamanlis applies considerable pressure.

Even if he should agree to stay in the background, Makarios' mere presence on the island will be disruptive. Turkey has expressed serious misgivings about his return, now tentatively scheduled for December 6, and there are increasing indications that the Turkish military is prepared to conduct a rescue operation in the event that fighting between pro- and anti-Makarios factions threatens the lives of Turkish Cypriots stranded in the Greek sector.

Greek Cypriot officials are already bracing for violence within the Greek community in anticipation of the archbishop's return.

some anti-Makarios activity, including bombings

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and revenge killings, are expected, especially in the Larnaca and Limassol districts. The level of violence in the long run will depend on Makarios' willingness to seek a reconciliation with his opponents and the extent to which he can control his own followers.

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LIBYA-FRANCE

Libya has begun selling fairly large volumes of crude oil to France at a price significantly lower than has been paid by foreign oil companies, according to US embassy sources.

Crude oil production from one of Libya's nationalized fields, which had been running below 30,000 barrels per day (b/d) was suddenly increased to 125,000 b/d in early November, and the additional production is reportedly going to France at special prices. Another embassy source indicates that the Libyans have offered the French even more crude oil if favorable financial terms can be reached.

Libya's motive is unclear. Libya may have reduced its price in an effort to market greater amounts of crude. High prices demanded by Tripoli along with weak demand have made it difficult to sell Libyan crude. Oil production has declined to slightly over 1 million b/d in October; this is less than one third of Libya's peak production reached in 1971, and a ten-year low. Tripoli may also be willing to negotiate a lower price for fourth quarter sales to oil companies than it charged for third quarter sales.

Paris has made it its policy to negotiate government-to-government oil deals whenever possible. France currently is attempting to buy 400,000 b/d from Saudi Arabia over a ten-year period.

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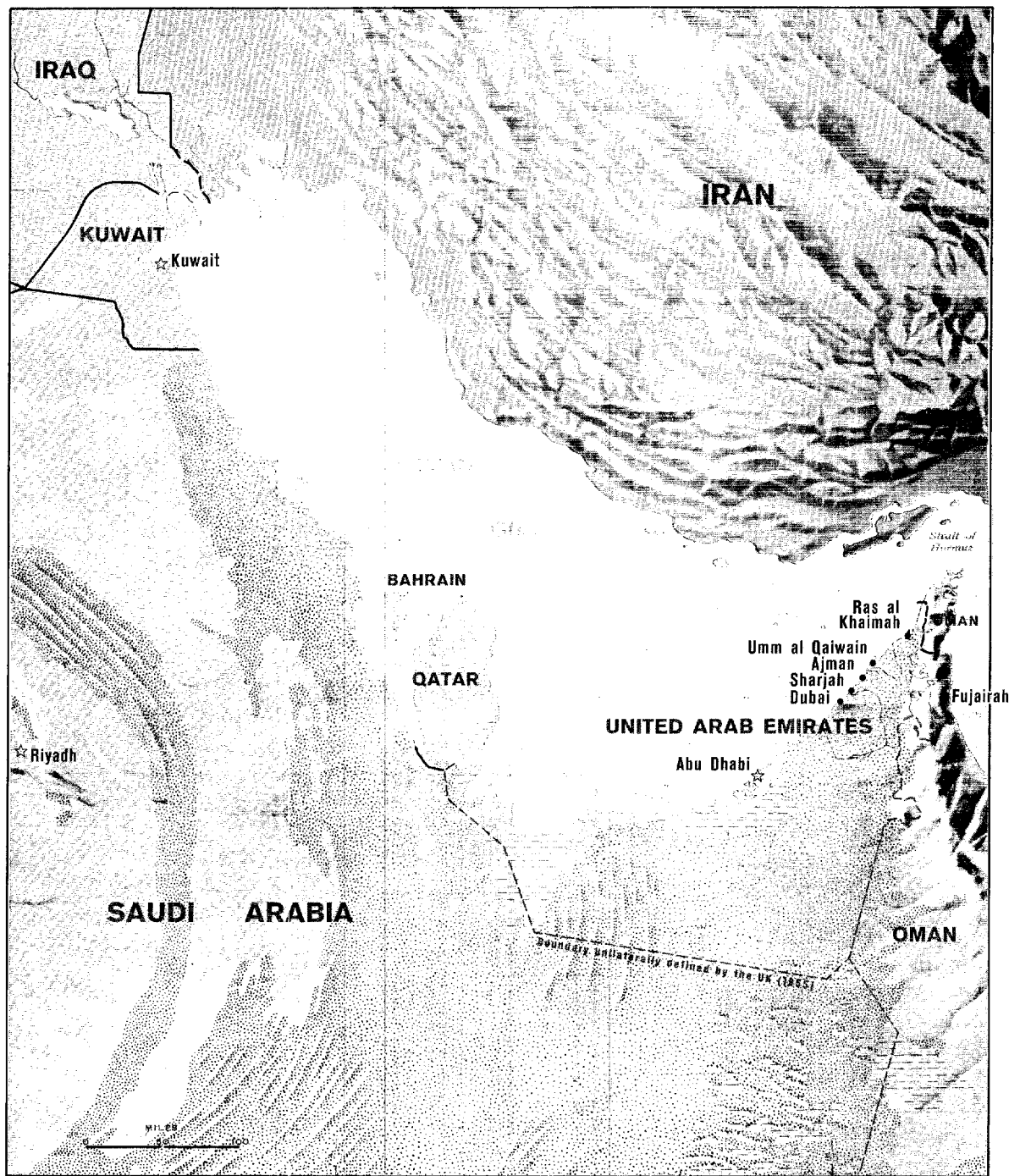
USSR-PLO

The Soviets gave Palestine Liberation Organization leader Yasir Arafat more prestigious treatment than during his last visit in August, but an anomaly in the Soviet press coverage indicates that Moscow remains unwilling to endorse all his aims.

Arafat has met with Premier Kosygin on Wednesday and with Foreign Minister Gromyko on Thursday. Kosygin is the highest-ranking Soviet official ever acknowledged to have met with the fedayeen leader. Arafat apparently has not met with General Secretary Brezhnev. The meetings have given an official cast to Arafat's visit and may have been intended to suggest support for the formation of a Palestinian government in exile. Arafat reportedly will move on to Yugoslavia today.

The press anomaly occurred when Tass carried an interview with Arafat, in which he allegedly endorsed General Secretary Brezhnev's remarks in Mongolia about the USSR guaranteeing the existence of "all" states in the Middle East--an obvious reference to Israel. This account was subsequently withdrawn. A Soviet foul-up cannot be discounted but such errors on sensitive subjects are rare. Arafat probably did endorse the sense of Brezhnev's Middle East statement, but then asked that the phraseology implicitly referring to Israel be withdrawn. Perhaps by way of making amends to Arafat, Tass subsequently took a poke at the possibility that Israel might establish a Palestinian entity governed by West Bank residents acceptable to Tel Aviv.

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SAUDI ARABIA

Saudi Arabia will be the host to a meeting of Gulf Arab states next week, at which the rulers of the United Arab Emirates, Oman, Qatar, and Bahrain will be present. Kuwait, although invited, apparently does not plan to attend, and Iraq was not invited.

The controlled Saudi press has said only that the leaders will discuss regional affairs. Presumably one major topic will be greater cooperation in defense matters. Although the meeting has been in the planning stages for some time and was not sparked by the appearance of the USS Constellation in the Persian Gulf last week, the US move may focus the attention of the participants on security questions.

The Saudis are likely to urge Bahrain and Qatar to resolve their dispute over ownership of a small island. There may be some discussion of expanding the present seven-member United Arab Emirates to include Bahrain and Qatar.

Recent speeches by Gulf rulers on regional cooperation have pointedly omitted any reference to Iran, which apparently received no invitation to the meeting. It seems likely, in fact, that the Shah's much-publicized view of Iran's leading role in the Gulf may be propelling his Arab neighbors--who have always been suspicious of Iranian designs, despite current harmonious relations--toward greater cooperation in Gulf affairs.

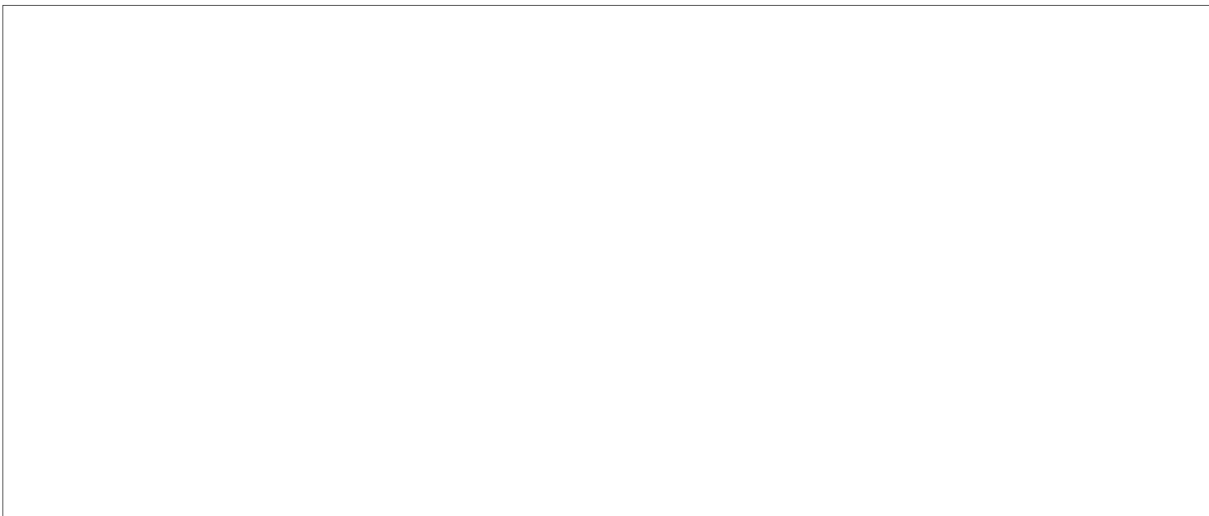
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SOUTH VIETNAM

Military action remains moderately heavy in the northern provinces where both sides are fighting over highground positions south of Hue and government forces are attempting to recapture lost territory in the lowlands.

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the Communists are expected to maintain the necessary strength to continue to resist South Vietnamese operations. The Communists are also likely to increase rocket and sapper attacks against government targets in the coming weeks as the heavy rains hamper major ground action. Fighting is also fairly heavy in the northern delta provinces, but little military action has been reported in the rest of the country during the past few weeks.

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TURKEY

President Koruturk will probably turn to Bulent Ecevit again to try to form a government in the wake of the resounding defeat of the proposed Irmak government in parliament yesterday. Although the major political parties were unable for two and one half months to agree on any solution to the political stalemate, they were nearly unanimous in rejecting the nonpartisan Irmak government by 362 to 11 in the confidence vote. Irmak submitted his resignation immediately after the vote, but will stay on as caretaker until a new government is formed.

During the debate that preceded the vote, former prime minister Ecevit repeated his call for early elections and lashed out at Justice Party head Demirel for dragging his feet and prolonging the crisis. Ecevit claimed that it was the failure of the political parties to agree on an election date that forced his Republican People's Party to vote against Irmak.

In the first hopeful sign that a break in the stalemate may be imminent, Democratic Party leader Bozbeyli echoed Ecevit's statement that early elections are the only way out of the impasse.

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Bozbeyli has turned down Ecevit twice before, but the deteriorating domestic situation may have convinced him, as well as other politicians, that new elections are necessary to secure a clear mandate to govern. The political uncertainty is at least partially responsible for the current wave of student riots, and there is a growing fear that if the politicians are unable to form a workable government, the military will.

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ROMANIA

The Romanian party congress ended Thursday on a note of confidence and satisfaction.

An obviously pleased Ceausescu was re-elected to head the party for another five years. He underscored, in his major speech to the congress, the correctness of Romania's highly independent path to socialism and received a unanimous endorsement from the congress.

Only a few changes took place in the top party leadership. The party executive committee was renamed the executive political committee, and five new members replaced five "old guardists." All the newcomers are Ceausescu proteges firmly committed to his policies.

The Permanent Bureau created last March to coordinate party-state activity was pared down from ten to five members. Chaired by Ceausescu, its members also are firmly committed to his program.

As expected, the Soviet, Chinese, and Yugoslav congratulatory messages to the congress reflected the considerable differences within the Communist movement:

--The Chinese and the Yugoslavs paid tribute to Ceausescu by name, but the Soviets did not mention him.

--Peking praised Romanian successes in "maintaining independence, keeping the initiative in their own hands and working hard." Moscow stressed that "cooperation" and "deepening unity" among Communists are the guarantees of the continual flourishing of Communist Romania.

--The Chinese expressed support for the struggle against "imperialism and hegemonism"--the latter, a reference to the Soviet policy.

--Belgrade's greeting echoed the Romanian line by paying special attention to the need to base international relations on "respect for independence, equality, noninterference in the internal development and policy of others."

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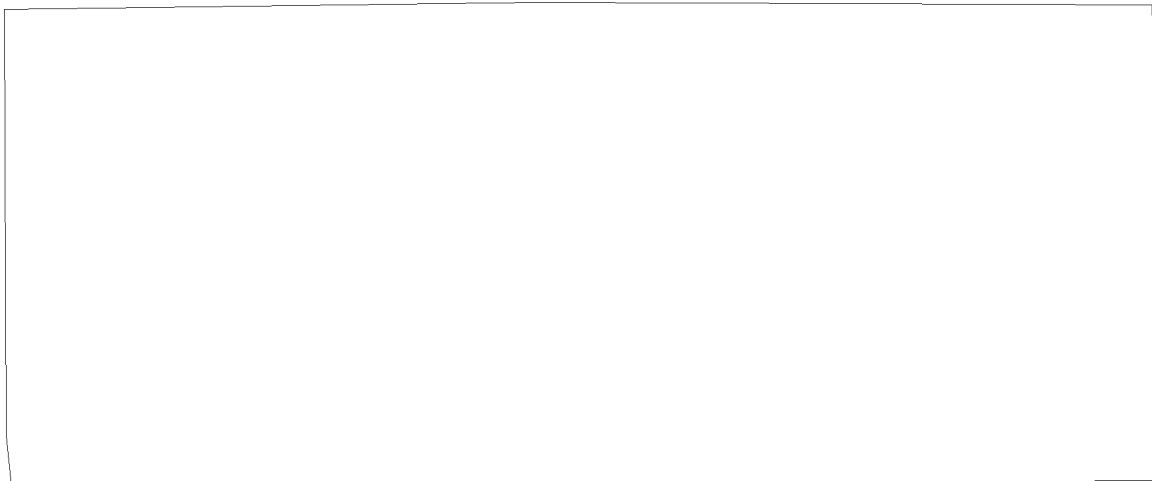


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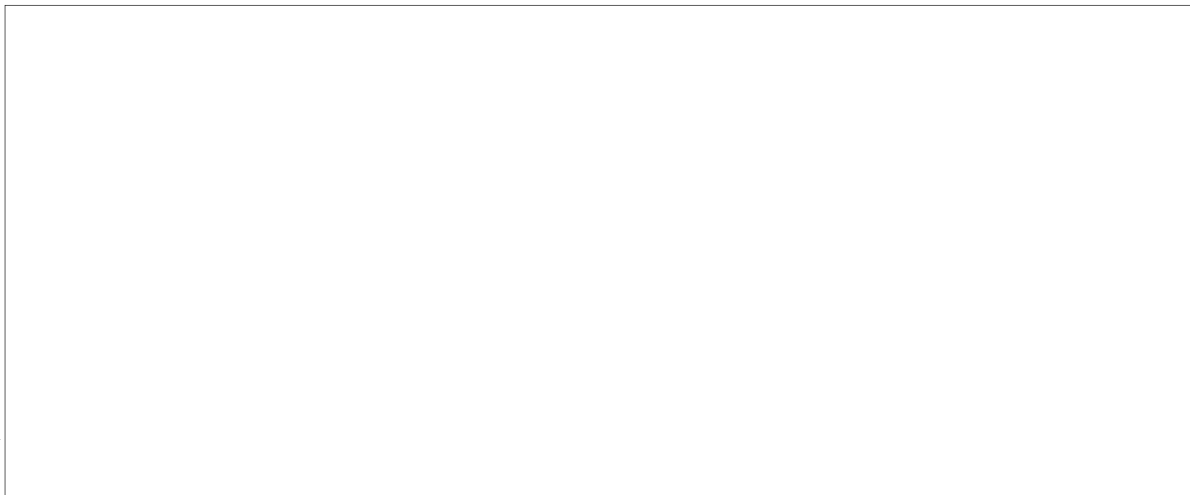
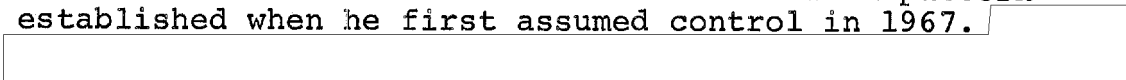
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Nicaragua: Tomorrow General Anastasio Somoza Debayle will be inaugurated President of Nicaragua for a second term. He is the third President from the Somoza family, which has governed Nicaragua as its personal fiefdom for 40 years. His administration in this six-year term will continue the anti-Communist and authoritarian pattern established when he first assumed control in 1967.



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